

Memo: March 21, 2008
To: Participating Lenders
From: Nancy Leifer
Re: Ongoing Funding for Loans

Regular Bond Program:

As noted in earlier memos, MBOH is currently unable to sell bonds at a cost that allows us to offer mortgage loans at a competitive interest rate. In the meantime, we are using funds coming in from loan cancellations and payoffs to reserve and purchase loans. MBOH is maintaining a waiting list and is funding loans on a first-come, first-served basis. Loans on the waiting list are not subject to a cancellation fee. MBOH staff will call the originating lender as each loan request fax sheet reaches the top of the list when funds are available to confirm that the lender still wants to reserve funds. After the lender confirms, MBOH staff will reserve the loan. Once reserved, the loan will proceed as usual through the review and purchase process and will be subject to cancellation fees. To put a loan on the waiting list, please use the form attached to this email and fax it to MBOH at 841-2839. The form is an Adobe document "Reservation form - one page" that can be filled in electronically before printing, but can't be saved so lenders will have to print out a hard copy for record keeping.

For future reference, the form can be found on the MBOH website under "Documents and Other Info" at:

<http://housing.mt.gov/Includes/BOH/Singlefamily/RESERVATION3.pdf>

Set-Aside Special Programs

Funds for these loans continue as usual. Set-aside program loans are funded from old bond issues and have not been affected by the current bond market. Lenders can continue to reserve loans as before on Lender on Line or by fax.

Mortgage Credit Certificate Program

The current Mortgage Certificate Program (MCC) has about \$580,000 of loan authority left before it expires on December 31, 2008. This program was authorized by the Board in January of 2006 for three years.